

UNITED PRESS INTERNATIONAL  
16 October 1984

HONOLULU

A former Hawaii investment counselor who blames the CIA for the collapse of his firm will be defended by an attorney representing another man using the agency in his defense on criminal charges.

Ronald Rewald will be represented on federal charges by attorney Brent Carruth who is defending Richard C. Smith in Virginia on charges of selling secrets to the Soviet Union.

U.S. Magistrate Joseph Gedan decided Monday that Rewald could use Carruth and federal public defender Michael Levine.

Gedan imposed two conditions on Rewald: first, that he hand over 25 percent of his salary to reimburse the government and, second, that Rewald sign over his interest in any book or movie to be made about his life.

Rewald reportedly is being paid \$1,000 per week by California entrepreneur Ronald Kauffman to act as personal consultant to Kauffman. He also has signed a contract offering Kauffman exclusive rights to his life story.

Rewald is charged with 100 counts of fraud, perjury, and tax evasion in the collapse of his company, Bishop, Baldwin, Rewald, Dillingham & Wong, in which investors lost \$12 million. Rewald contends the firm was set up by the CIA, which he has said is responsible for the losses.

Smith, accused of giving secret information to a Soviet agent, said he was working as a CIA double-agent and was using Rewald's company as one of his contact points.

Carruth said he sees no conflict in representing both men. Assistant U.S. Attorney John Peyton, however, indicated he thought the idea would be a conflict of interest.

Another magistrate refused two weeks ago to appoint counsel for Rewald, saying he was not convinced Rewald was looking hard enough for a lawyer. Rewald took the stand to tell Gedan he had asked 100 lawyers to represent him, and all had either refused, citing conflicts of interest or asked too much money.